

To:	Legal Services Board	
Date of Meeting:	27 November 2013	Item: Paper (13) 78

Title:	Levy Rules - Consultation Paper	
Work-stream:	Statutory Decision-Making	
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Status:	Unclassified	

Summary:

When the LSB made the current levy rules in December 2010 it gave a commitment to review them in 2013/14 with a view to any changes being effective from 1 April 2014. The draft consultation document at Annex A meets this commitment. Although it revisits some strategic issues decided in 2010, essentially we believe that most of the arguments made at that stage remain valid and the changes proposed are therefore primarily technical to reflect the availability of better data from the OLC

The Director of Finance and Services has spoken to representatives of the majority of approved regulators and there were no additional aspects of the levy rules that approved regulators sought to amend.

The main changes proposed are:

- a minimum contribution of £3,000 for all approved regulators who have approved regulatory arrangements (Annex A para. 23)
- to use a three-year reference period initially ending 31 March 2014 to calculate the average number of complaints and the end date being rolled forward one year for each levy period. (Annex A para. 31)
- using actual data captured by the Office for Legal Complaints (OLC) to determine the levy payable by each approved regulator instead of historic complaint information to recoup their leviable expenditure (Annex A para. 32)
- a minimum contribution of £5,000 for all approved regulators who have approved regulatory arrangements (Annex A para. 36)

The consultation period is currently scheduled for 9 December to 7 February.

Recommendation(s):

The Board is invited to:

- **approve** the document for consultation and
- **delegate** the agreement of any final drafting changes to the Chairman and Chief Executive

Risks and mitigations	
Financial:	<ul style="list-style-type: none"> The levy rules are the means by which the LSB receives its funding from approved regulators. If no changes are made, the existing statutory instrument remains in force and both the LSB and OLC will continue to receive reimbursement for its costs.
Legal:	<ul style="list-style-type: none"> The statutory instrument (rules) is made by the Board but needs the consent of the Lord Chancellor. Our current MoJ sponsor team have no experience of SIs which are not made by the Lord Chancellor and are currently short of legal resource. The MoJ have a legitimate role in ensuring that the draft SI meets the requirements of the current published guidance before being submitted to the Joint Committee on Statutory Instruments. We have engaged the services of a specialist parliamentary draftsman from our legal panel to assist us with this.
Reputational:	N/A
Resource:	N/A

Consultation	Yes	No	Who / why?
Board Members:	X		Terry Babbs - as a member of the Audit and Risk Committee, who is familiar with the operation and complexity of the levy rules
Consumer Panel:		X	This is a 'payment mechanism'
Others:	CEO, Corporate Director and LSB Gateway Group, LeO Colleagues		

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Annex A	s22- intended for future publication	